

HOUSE BILL 717

Unofficial Copy
C4

2003 Regular Session
(3r1879)

ENROLLED BILL
-- Economic Matters/Finance --

Introduced by **Delegates Barve, Feldman, and Taylor**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Insurance - Premium Finance Agreements**

3 FOR the purpose of providing that a premium finance agreement, in addition to
4 financing the premium of a surplus lines insurance contract, may include
5 certain premium receipts taxes and fees charged by a surplus lines broker;
6 altering the manner in which a finance charge is computed; and generally
7 relating to premium finance agreements.

8 BY adding to
9 Article - Insurance
10 Section 23-301.1
11 Annotated Code of Maryland
12 (2002 Replacement Volume and 2002 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article - Insurance

1 Section 23-304
2 Annotated Code of Maryland
3 (2002 Replacement Volume and 2002 Supplement)

4 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
5 MARYLAND, That the Laws of Maryland read as follows:

6 **Article - Insurance**

7 23-301.1.

8 IN ADDITION TO FINANCING THE PREMIUM OF A SURPLUS LINES INSURANCE
9 CONTRACT, A PREMIUM FINANCE AGREEMENT MAY INCLUDE ANY:

10 (1) PREMIUM RECEIPTS TAX THAT A SURPLUS LINES BROKER IS
11 REQUIRED TO CHARGE UNDER § 3-324 OF THIS ARTICLE AND PAY TO THE
12 COMMISSIONER UNDER § 3-325 OF THIS ARTICLE;

13 (2) POLICY FEE THAT A SURPLUS LINES BROKER IS ALLOWED TO
14 CHARGE UNDER § 27-216 OF THIS ARTICLE; AND

15 (3) INSPECTION FEE THAT A SURPLUS LINES BROKER IS ALLOWED TO
16 CHARGE UNDER § 27-216 OF THIS ARTICLE.

17 23-304.

18 The finance charge shall be computed:

19 (1) on the amount of the entire premium loan advanced, INCLUDING ANY
20 TAXES OR FEES THAT ARE FINANCED UNDER § 23-301.1 OF THIS TITLE, after
21 subtracting any down payment on the premium loan made by the insured;

22 (2) from the inception date of the insurance contract or from the due
23 date of the premium, disregarding any grace period or credit allowed for payment of
24 the premium, through the date when the final installment under the premium
25 finance agreement is payable; and

26 (3) at a rate not exceeding 1.15% for each 30 days, charged in advance.

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 October 1, 2003.

